

Oakstead Real Estate Tips

NEWSLETTER Issue III - 2005

Courtesy of Frank J. Estrada

Investing in Residential Real Estate

Did you miss the boat or can you still get in?

Yes, you can still get in! There are many ways to invest in residential real estate. To mention a few, you can order a home from a builder and sell it as soon as you get the keys. You can buy an existing home that needs work (TLC), fix it up and sell it. You can buy a home and rent it. Before touching on these three types of



investments, remember that all investments involve a certain degree of risk. A good Realtor, not any Realtor, can help you along the way.

Buy and Sell a New Home: *So can I go to some builder's model home, buy a house, and a year later when I close on it, I can turn around and sell it for a profit?* With the hot real estate market in recent years, it almost seemed too good to be true, but that kind of scenario was very common and many people did indeed make good money! Unfortunately, those easy-money opportunities have dwindled. Most builders are not selling to investors now and home prices have gone up so much that each day the market is getting closer to topping off. However, there are still ways of "beating the system" so that you can buy from a builder and turn

around and sell the property. A good Realtor, not any Realtor, will tell you how.

Buy a "Fixer-upper" and Flip it: Find a house that is going for less than market value because it needs work. If the work required costs less than the amount below market value, then it may be worth considering. For instance, if a house requiring TLC is selling for \$200,000 and the actual market value would be \$250,000 if it were in good condition, look at how much it would cost you to make the necessary repairs. Add up the material, labor and time, and if it's \$30,000, for example, then consider making the investment. You can save a lot of money if you are handy and do most of the work yourself. A good Realtor, not any Realtor, can help you find the right investment.

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Oakstead Home Sales

Year-to-Year Comparison

Average Sold Price per Square Foot

Sept. 2004: \$110.23

Sept. 2005: \$146.50

Increase of: 33%



"A hundred men may make an encampment, but it takes a woman to make a home." - Chinese Proverb



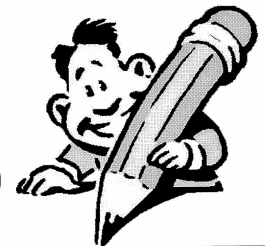
BUYER and SELLER TIP

QUESTION: *I want to buy a house and I have to sell my current one. Which should I do first? Buy or Sell?*

ANSWER: Under normal circumstances, it's recommended you sell yours first. Contingency sales when buying aren't as strong so in order for a seller to accept your offer with the condition you sell your house first, the seller may demand full price to compensate for the risk. You just lost some money! Now in order to sell your house quickly so you won't lose the one you're buying, you may sell it for less. More money lost! Total could be thousands of dollars! Best way is to sell your house with the contingency "subject to seller finding suitable housing". Talk to a good Realtor.

NOTARY PUBLIC
FREE

For all Oakstead Residents !!!



Need something notarized? Bring your documents and drivers license to the Clubhouse on Thursdays between 7:30 and 8:00 PM. Can't wait or make it at that time? Call me at (813) 810-4960.

Your Oakstead Notary and Realtor, Frank Estrada

**FOR SALE
BY OWNER**

FACTOID: 3 out of 4 owners who start off selling their own home end up getting a real estate agent.

WANTED: An Oakstead resident mortgage consultant, a tax accountant and a real estate attorney that would like to share useful tips and information with us in this newsletter. Please contact me. Frank Estrada at 813 810-4960



Investing: *Cont'd from page 1*

Buying to Rent: Unlike flipping a home for a quick profit, buying to rent is a longer term commitment. With sky-rocketing home prices, investing in rental properties will be the prudent way to go. Whether new or existing, single-family, townhouse, condo or multi-unit, if the location, size and price is right, look at it closely. Renting has many tax benefits that help you turn what appears to be a negative cash flow, into a positive one. For example, say your monthly expenses for the property are \$1,800 but your renters only pay you \$1,500. Since this is an investment property, your tax advantages may give you an "after-tax" positive cash flow. Although we'd all prefer a pre-tax positive cash flow, they are tough to find. However, a sharp tax accountant can study the numbers and advise you before you invest. A good Realtor, but not any

Realtor, can help you find, purchase, rent out and manage your rental property.

Reminder: Always keep in mind transaction costs, and of course taxes. Every time you buy real estate, there are transaction costs. Every time you sell real estate, there are transaction costs. If you buy a property priced at \$200,000, for example, and turn around and sell it for \$220,000, don't think that you made \$20,000. Chances are that you may have even lost money. A good Realtor, but not any Realtor, can help you with the numbers.

A common trait: One trait that all successful investors demonstrate is that they all take action. It's easy to talk and dream, but to take action is what gets things moving. So if you are interested in investing in residential real estate, start off by getting yourself a good Realtor, but not any Realtor. Good Luck!

By Frank Estrada

The Best Deal



An author once wrote, "We give them the love we can spare, the time we can spare, the room we can spare. In return, dogs give us their absolute all. It is, without a doubt, the best deal man has ever made!" It's still hot out there. Remember to always keep your pets supplied with fresh water. ☺

HURRICANE DISASTER RELIEF

To help our fellow Americans:



American Red Cross

www.redcross.org
1 800 HELP NOW

Senior Coffee

Come enjoy coffee and donuts and meet your Oakstead neighbors.



We're friendly folks!

Friday, October 21st, from 9:00 to 11:00 AM at the clubhouse. See you there!

What is Home?

A roof to keep out the rain. Four walls to keep out the wind. Floors to keep out the cold. Yes, but home is more than that. It is the laugh of a baby, the song of a mother, the strength of a father. Warmth of living hearts, light from happy eyes, kindness, loyalty, comradeship. Home is first school and first church for young ones, where they learn what is right, what is good and what is kind. Where they go for comfort when they are hurt or sick. Where joy is shared and sorrow eased. Where fathers and mothers are respected and loved. Where children are wanted. Where the simplest food is good enough for kings because it is earned. Where money is not so important as loving-kindness. Where even the teakettle sings from happiness. That is home. God bless it.



By Ernestine Schumann-Heink

Austrian contralto, 1861 - 1936



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In the next issue: Selling your home? Common selling mistakes you DO NOT want to make! If you can't wait for the next publication, feel free to contact me. Frank Estrada, 813 810-4960